

INFORMATION LETTER

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NATIONAL CANNERS ASSOCIATION

For Members
Only

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May 23, 1940

SPRING MEETING OF BOARD

Legislative, Administrative, and Economic Matters Discussed at Sessions

Addresses and discussions on legislative, administrative, and economic matters affecting the canning industry were heard by members of the Board of Directors of the National Canners Association, by secretaries of fourteen State and regional canners' associations, and by others in attendance at the Board's spring meeting held at the Shoreham Hotel in Washington, D. C., on May 16 and 17. Among the speakers were Dr. C. A. Sienkiewicz, assistant vice president of the Federal Reserve Bank of Philadelphia, who spoke on the subject "Highlights of Business Conditions and Outlook"; Mr. Armond DeBirny, attorney with the Federal Trade Commission, who conducted, off the record, a round-table discussion of "Recent Trends in Robinson-Patman Act Interpretations"; and H. Thomas Austern, of Association's counsel, who spoke on the subject "Recent Court and Administrative Decisions".

Reports from the committees on Economic Research, Labeling, Legislation, Statistics and Information, and Simplification of Containers were presented. The president of the Association of State Secretaries, William A. Free of York, Pa., told of the meetings of State secretaries held during the past few weeks at the Association's offices and commented on the value of these meetings.

Principal actions taken by the Board of Directors include:

Approval of the final budget for 1940 as recommended by the Administrative Council;

Approval of a recommendation by the Committee on Statistics and Information that a special committee be appointed to consider amplification of the Association's Division of Statistics and to report its findings to the Interim Committee within sixty days;

Approval of the report of the Simplification Committee, and authorization for submitting the revised list of can sizes to the canning industry for approval;

Approval of a resolution, proposed by the Labeling Committee, urging that canners use on their new labels the additional descriptive terms for canned products which are to be proposed to the industry and published soon in a labeling manual;

Approval of the date and location of the next annual convention as the week of January 19, 1941, at Chicago.

The recommendation of the Administrative Council relative to two changes in the budget as adopted by the Board of Directors at the annual convention was presented by Marc C. Hutchinson of Fennville, Mich., chairman of the Executive Committee.

An engrossed copy of the resolution adopted at the Association's annual convention in January, expressing the appre-

ciation of the Association for the achievements of the retiring president, Walter L. Graefe, was presented to Mr. Graefe during the Board's meeting.

A review of the activities of the various divisions of the Association was presented to the Board in the form of a memorandum and is reproduced in this issue of the INFORMATION LETTER, beginning on page 6197.

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CONDITION OF RED CHERRY CROP

Reports Will Be Compiled Weekly by National Canners Association

Many canners of pitted red cherries have expressed their desire to the National Canners Association for reports on the condition of the crop of red cherries. Accordingly, with this issue of the INFORMATION LETTER, the Association is undertaking to compile and issue weekly a report on condition, weather, and rainfall data. The success of this report will depend upon canners' cooperation.

The red cherry producing areas have been divided into crop reporting districts. Reporters have been selected for each of these districts, and have been asked to submit weekly reports to the Association. These reports will be summarized by the Association's Division of Statistics, and reported back to the cherry canners.

The factors included in the condition report will be those selected by the canners who have requested the service. The reporting will be so organized as to give canners on Monday morning a report of the condition in each of the various reporting districts as of the previous Thursday. The reporting districts are as follows:

NEW YORK I—Niagara and Orleans counties.
NEW YORK II—Monroe and Wayne counties.
NEW YORK III—Ontario and Seneca counties.
NEW YORK IV—Chautauqua county, New York, and Erie county, Pennsylvania.
PENNSYLVANIA—Adams county.
OHIO—Sandusky county.
MICHIGAN I—Upper Grand Traverse area.
MICHIGAN II—Lower Grand Traverse area including Oceana county.
MICHIGAN III—Allegan, Van Buren, and Berrien counties.
MICHIGAN IV—Central Michigan.
WISCONSIN.
COLORADO.
UTAH.
MONTANA.
WASHINGTON.
OREGON.

Reporters will be asked to report on the following factors: (1) winter freeze damage; (2) pollination; (3) set of bloom; (4) set of cherries; (5) damage from weather, hail,

shot-hole fungus, and other diseases; (6) estimate of crop; and (7) general condition of trees.

As the crop progresses, the relative importance of these factors will change. Each week's report will include only those factors that are important at that stage of the crop.

Reports have not been received from all of the districts listed above. The following brief summary gives some crop information, however, for certain districts for the week ending May 16:

NEW YORK II—No apparent injury from winter freeze. Late spring has retarded bloom. Buds are not sufficiently advanced to determine probable extent of blossom.

NEW YORK III—No indication of damage as yet. Trees will be in blossom in about a week. Buds appear to be safe.

NEW YORK IV—Cherries just coming into blossom, which is late for this district. There is no apparent damage from freezing.

PENNSYLVANIA—Bloom is fairly heavy. No indication of set of cherries as yet. Winter injury from 5 to 10 per cent.

MICHIGAN III—Trees in full bloom with a sufficient set of blossoms for a good crop. No freeze damage. Pollination satisfactory.

MICHIGAN IV—No winter injury. Late spring has retarded blossoming and prevented frost damage.

UTAH—No apparent winter injury. Cherries in full bloom. Pollination only fair.

OREGON—Condition thus far indicates a crop about 60 per cent of last year.

WASHINGTON—Crop reported to be about normal.

Federal Trade Commission Issues Order Against Mississippi Sales Company and Others

Prohibiting unlawful payment and acceptance of brokerage fees, in violation of the Robinson-Patman Act, the Federal Trade Commission has issued an order against Mississippi Sales Company, Inc., a general merchandise brokerage house, and Jobbers Produce Company, Inc., a produce jobber, both of Meridian, Miss., and against three sellers.

The Commission's findings are, according to the press release, that:

"Through the medium of Mississippi Sales Company, Inc., orders were placed for a substantial quantity of foodstuffs by Jobbers Produce Company, Inc., of the same Meridian address as Mississippi Sales Company, Inc. Such orders were placed with American Fruit Growers, Inc., Pittsburgh; Dow Fruit Company, Wenatchee, Wash., and E. O. Muir Company, Salt Lake City, Utah, and other sellers. These firms and other sellers transmitted to the Mississippi Sales Company, Inc., substantial brokerage fees on the basis of an agreed percentage (usually 3 to 5 per cent) of the amount of each purchase by Jobbers Produce Company, Inc.

"During all these transactions, S. O. Scott was president and director of both the Mississippi Sales Company, Inc., and Jobbers Produce Company, Inc., owning 98 per cent of the capital stock of each corporation, and the business of each company was conducted from the same offices by the identical personnel under the direct and active supervision of the respondent Scott.

"The Commission concluded that in connection with these purchases, Mississippi Sales Company, Inc., was subject to the control of and acted in fact for Jobbers Produce Company, Inc.

"The Commission further concluded that the payment of brokerage fees or commissions to, and the receipt thereof by,

the Mississippi Sales Company, Inc., upon purchases of the Jobbers Produce Company, Inc., when the principal party at interest in each of the two corporate respondents was S. O. Scott, principal officer and stockholder of each company, was in fact a payment of brokerage fees or commissions to, and receipt thereof by, the respondent Jobbers Produce Company, Inc., in violation of the brokerage paragraph of the Robinson-Patman Act. The Commission also concluded that no selling services were or could have been in law rendered to sellers in connection with the purchases of Jobbers Produce Company, Inc."

The Commission's order directs the respondents American Fruit Growers, Inc., Dow Fruit Company, and E. O. Muir Company, in connection with the sale of commodities to Jobbers Produce Company, Inc., to cease and desist from paying or granting to Mississippi Sales Company, Inc., Jobbers Produce Company, Inc., or S. O. Scott, any brokerage fee or commissions, or any allowance or discount in lieu thereof.

The order directs Mississippi Sales Company, Inc., and Jobbers Produce Company, Inc., in connection with the purchase of commodities by Jobbers Produce Company, to cease receiving or accepting from sellers any brokerage fees or commissions or allowance or discount in lieu thereof.

The order further directs S. O. Scott to desist from receiving or accepting brokerage fees or commissions, or any allowance or discount in lieu thereof, either directly or indirectly as stock dividends or distribution of profits, or otherwise, in connection with the purchase of commodities in interstate commerce by Jobbers Produce Company, Inc.

Fishery Bills Reported Favorably to Senate

The Senate Commerce Committee recently acted on three bills of interest to seafood canners by reporting favorably to the Senate H. R. 4985, a bill to establish a fishery educational service in the Bureau of Fisheries; H. R. 8475, a bill to limit the interpretation of the term "products of American fisheries"; and H. J. Res. 302, a resolution authorizing compacts or agreements among States bordering the Atlantic Ocean with respect to fishing.

The proposed fishery educational service would be established for the purpose of conducting fishery educational work among consumers, fishermen, and fish processors, and to provide educational help to fishermen who desire to form cooperative producing and marketing associations.

The bill to limit the interpretation of the term "products of American fisheries" provides:

"That wherever, in the statutes of the United States or in the rulings, regulations, or interpretations of various administrative bureaus and agencies of the United States there appears, or may appear the term 'products of American fisheries' said term shall not include fresh or frozen fish fillets, fresh or frozen fish steaks, or fresh or frozen slices of fish substantially free of bone (including any of the foregoing divided into sections), produced in a foreign country or its territorial waters, in whole or in part with the use of the labor of persons who are not residents of the United States."

The joint resolution authorizing fishing compacts between States bordering on the Atlantic Ocean would give the consent of Congress to cooperative effort assistance among such States for mutual regulation of fishing in their territorial waters.

REVIEW OF ASSOCIATION ACTIVITIES

The following memorandum, on certain phases of the work carried on by the Association since the annual convention, was prepared by the staff and presented to the Board of Directors. Other aspects of the activities of the Association were discussed during the Board's meeting and are reported elsewhere in this issue of the LETTER.

Report of Secretary Correll

It is a pleasure to report to the Board of Directors of the National Canners Association that, on a case basis, the membership is the largest in the history of the Association. It represents more than 160,000,000 cases, largely seasonal.

In order to give a proper service to this large membership, it is necessary that the Association continue to vary and intensify its efforts to meet existing conditions.

It is impossible to have the Association's activities cover one hundred per cent of the needs of each member. It is only natural to expect that what one member considers most important to him, another canner may regard as only incidental.

The interests of individual canners vary not only in importance, but in point of time. On a single day, the inquiries received by the Association may reveal the immediate concern of one canner with labeling under the Federal or State food laws; another canner is interested in a general question of industry-wide application under the Robinson-Patman Act, or with the matter of hours exemption for his own plant under the wage and hour law; another canner is faced with a consumer complaint, or with local problems in insect control, or with a difficulty of water pollution; another canner desires production or stock statistics on one or more commodities, or information on export sales and foreign trade restrictions; and still another canner is interested in consumer education, or needs recipes developed for his products.

The scope of inquiries at any one time may call into action the services of any or all of the Association's divisions or of counsel's office.

The Association, since its organization, has consistently endeavored to expand its services to meet the ever-increasing problems of its members. This policy should continue and the Association should at all times stand ready either to intensify its present services or to enter any new fields of service that its members desire—provided only that such service is of unquestionable legality. Increased service does not necessarily mean any increase in the budget.

Among the complexities and swift changes of the past few years it has been difficult for the average business man to find his way through the bewildering maze of reports on this and that, new and threatened legislation, and regulations of the government directly controlling many features of his business. These in turn have caused and probably will cause possible changes in methods of distribution and a dynamic commercial situation to which canners must adjust themselves. To help canners clarify this situation and to guide them through this maze, the Association has given every assistance possible. Capable leaders of the canning industry have given their personal time freely to consideration of pressing problems for the benefit of the whole industry. These men have worked as untiringly for the general welfare as they have for themselves. In addition, the staff of the Association and its counsel, with individual backgrounds of specific training in various fields, have been able to keep members informed of developments affecting the industry and have analyzed situations so that the Association's committees might have information at hand to attain a balanced judgment.

Never before has there been such constant pressure on the Association to answer inquiries. While the principal activities of each division relate to certain specialized fields, the various divisions are called on constantly for additional service, because the general information required today is much more than is included in the scope of the routine work of the departments. The collective efforts of the staff in analyzing regulations and proposed standards issued under the Food, Drug, and Cosmetic Act is one example among many.

There are today, among the many problems confronting canners, three that are immediate and outstanding: The working of the Robinson-Patman Act, and other important questions of distribution; the war in Europe; and the industry's relations to the wage and hour law.

(Continued on page 6200)

Complaint Against Trade Association Alleges Combination to Restrain Price Competition

Western Confectioners Association, Inc., San Francisco, a trade association, its officers, directors, and trustees, and 49 member manufacturers engaged in the sale and distribution of candies in Western States, have been served by the Federal Trade Commission with a complaint alleging a combination to restrain price competition, establish uniform prices and to stabilize the discounts allowed.

The announcement by the Federal Trade Commission states that:

"The complaint alleges that the respondent company members constitute a large and influential position in the candy manufacturing business in California, Washington, Oregon, Montana, Nevada, Utah, Wyoming, Colorado, Arizona, and New Mexico. They would be in free and active competition with one another, the complaint continues, except for the unlawful conspiracy, agreements and practices with which they are charged.

"Pursuant to their agreements and understandings, the complaint alleges, the respondent manufacturers and the association and its officers and members cooperatively enforced their merchandising policy for eliminating price competition by the following means: (1) the respondent manufacturers adopted a minimum price, based on figures obtained by the association, for the association members' products, and (2) adopted arbitrary cost figures, while pretending to act under the California 'Fair Trade Act' and 'Unfair Practice Act'; (3) the respondent association made arbitrary classifications designating purchasers of respondents' products as 'wholesalers,' 'jobbers,' and as other dealers; specified standard and uniform discounts to be allowed purchasers in each classification, and the respondent manufacturers adopted such classifications and allowed the discounts; (4) the respondent manufacturers, upon demand by the association, revised price lists to make them uniform, and (5) filed with the association advance notices of price changes; (6) the respondent association, through its officers and the respondent manufacturers, made threats to institute, and aided and abetted in instituting, court proceedings against manufacturers selling at prices below the costs arbitrarily fixed, and (7) disseminated threats among association members and other manufacturers that any manufacturer who sold below the cost figures adopted would be prosecuted under the California 'Fair Trade Act' or 'Unfair Practice Act.'"

Wage-Hour Division to Hold Hearing June 3 on Proposals to Redefine Certain Terms

A hearing on proposals to redefine "executive," "administrative," "professional," and "outside salesman," as those terms are used to describe exempt employees in the manufacturing and extractive industries under the wage and hour law, will be held in Washington on June 3.

For the purpose of this hearing, manufacturing and extractive industries have been defined to include cleaning, grading, packing, canning, handling and processing of agricultural or horticultural commodities; mining; quarrying; petroleum production; logging and lumbering; and all other manufacturing and extractive industries except publication of books, magazines and newspapers, public utilities, and production of moving pictures.

In announcing the hearing, Colonel Fleming, administrator of the Wage and Hour Division of the Department of Labor, stated that no changes in the present definitions of "executive," "administrative," "professional," and "outside salesman" are planned until a series of hearings covering all industries has been held.

Senate Approves Reorganization Plan No. 4

The President's Reorganization Plan No. 4, containing the proposed transfer of the Food and Drug Administration to the Federal Security Agency, was approved by the Senate on May 14. This action means that the proposed transfer will be carried out and that the Food and Drug Administration will become a part of the Federal Security Agency.

The enabling act, which makes possible executive reorganization of federal agencies and departments, provides that reorganization plans will become effective 60 days after their submission if both the House and Senate fail to act on resolutions of disapproval, or if resolutions of disapproval are voted down in either one of the two branches of Congress. Plan No. 4 was submitted to Congress on April 11 and will become effective June 10 if Congress does not adjourn before that date. Should Congress adjourn before June 10, the proposal will not go into effect until Congress has been in session 60 continuous days.

England Stops Imports of Canned Sardines

The British Ministry of Food ceased granting import licenses for canned pilchards from the United States and Japan, effective May 15, according to the American Embassy at London.

Exports from the United States from August 1, 1939, to March 31, 1940, amounted to 1,281,600 cases, as compared with 787,900 cases shipped to the United Kingdom from this country during the corresponding months of the previous year.

1940 Almanac of the Canning Industry Published

The 1940 almanac of the canning industry has been published by the Canning Trade of Baltimore. The almanac contains a compilation of food laws and standards, pack, crop, and price statistics, and other reference data.

Fruits and Vegetables in Cold Storage

Total stocks of all frozen and preserved fruits in cold storage on May 1 were 75,620,000 pounds, according to the Agricultural Marketing Service. This quantity is 560,000 pounds less than that on hand May 1, 1939, but 14,113,000 pounds greater than the 5-year average. The net reduction in stocks during April totaled 14,079,000 pounds. This compares with 14,980,000 pounds net withdrawals for April, 1939, and an average of 9,062,000 pounds.

Stocks of frozen vegetables totaled 49,089,000 pounds. May 1 holdings exceeded those of a year earlier by 1,664,000 pounds. Net withdrawals during April were 6,808,000 pounds compared with 3,868,000 pounds for the same period of 1939.

The following tables show stocks of frozen fruits and vegetables in cold storage on May 1, 1940, as compared with previous periods:

	May 1, 1939	April 1, 1940	May 1, 1940
	1000 pounds	1000 pounds	1000 pounds
FROZEN FRUITS			
Blackberries.....	1,414	3,441	2,596
Blueberries.....	4,176	4,143	3,766
Cherries.....	11,094	16,184	13,325
Logan and similar berries.....	2,680	1,551	1,280
Raspberries.....	5,205	6,108	5,444
Strawberries.....	22,015	25,593	20,667
Other fruits.....	12,522	16,028	14,775
Classification not reported.....	17,074	16,651	13,761
Total.....	76,180	80,699	75,620
FROZEN VEGETABLES			
Asparagus.....	2,927	7,080	5,593
Beans, lima.....	9,562	11,666	10,158
Beans, snap.....	4,696	4,501	4,172
Broccoli, green.....	1,036	1,624	1,361
Corn, sweet.....	5,063	5,775	5,339
Peas, green.....	15,380	14,869	12,278
Spinach.....	2,549	4,637	4,647
Other vegetables.....	2,112	2,800	2,621
Classification not reported.....	4,100	2,880	2,920
Total.....	47,425	55,897	49,089

Fruit and Vegetable Market Competition

Carlot Shipments as Reported to the Agricultural Marketing Service by Common Carriers

Shipments during the week ending May 18, 1940, of major fresh fruits and vegetables competing directly with canned foods, were more nearly about the same quantity as shipped during the corresponding week of 1939. Shipments of domestic citrus fruits were considerably smaller, however, than last year. Shipments of spinach were larger.

The following table, compiled from statistics of the Agricultural Marketing Service, gives detailed comparisons of carlot shipments on certain dates of selected vegetables and fruits:

VEGETABLES	Week ending—			Season total to—	
	May 18, 1939	May 18, 1940	May 11, 1940	May 18, 1939	May 18, 1940
Beans, snap and lima.....	235	233	316	5,667	3,267
Tomatoes.....	998	805	441	13,373	6,383
Green peas.....	316	209	236	3,157	2,267
Spinach.....	12	27	143	6,113	8,552
Others:					
Domestic, competing directly.....	1,579	1,361	1,494	54,837	55,063
Imports competing directly.....	0	8	25	361	581
Imports competing indirectly.....	3	10	15	2,248	2,614
FRUITS					
Citrus, domestic.....	3,960	2,970	3,195	128,700	107,176
Imports.....	0	7	8	77	82
Others, domestic.....	833	841	601	5,951	3,827

Indexes of Wholesale and Retail Prices

The wholesale price index for all foods was 6.8 points lower than the all-commodity index on May 11, 1940, according to reports of the Bureau of Labor Statistics. The index for all foods on this date was 3.1 points higher than on May 13, 1939, but .9 of a point lower than a week earlier, May 4, 1940.

The retail price index for canned fruits and vegetables on April 16, 1940, was 75.0, as it has been at mid-month for the past two months. On April 18, 1939, it was 73.9.

In the following tables, derived from Bureau of Labor Statistics reports, the indexes for wholesale prices are based on the average for the year 1926 taken as 100 per cent. The retail price indexes are based on the average for the years 1923-25 taken as 100 per cent.

	Wholesale Prices					
	May 11, 1940	May 4, 1940	Apr. 27, 1940	Apr. 20, 1940	Apr. 13, 1940	May 13, 1939
All commodities.....	78.4	78.9	79.0	78.5	78.0	76.4
All foods.....	71.6	72.5	72.8	71.9	70.8	68.5

	Retail Prices			
	Apr. 16, 1940	Mar. 12, 1940	Feb. 13, 1940	Apr. 18, 1939
All foods.....	78.2	77.1	78.1	76.6
Fresh fruits and vegetables.....	66.4	61.3	61.5	64.4
Canned fruits and vegetables.....	75.0	75.0	75.0	73.9

Stocks and Shipments of Pitted Red Cherries

Nearly 2,000,000 cases of pitted red cherries, packed in No. 2 cans, and almost 1,000,000 cases of No. 10's, have been shipped during the present season, July 1, 1939, to May 1, 1940, according to figures compiled by the Association's Division of Statistics. May 1, 1940, stocks of No. 10's are more than 60,000 cases less than stocks in canners' hands on May 1, 1939, but stocks of No. 2's in canners' hands on May 1, 1940, were 90,542 cases, as compared with 17,864 cases on May 1, 1939.

The following table compares total stocks and shipments of No. 2's and 10's on various dates:

	1938-39		1939-40	
	No. 2's Cases	No. 10's Cases	No. 2's Cases	No. 10's Cases
Stocks May 1.....	17,864	184,433	90,542	120,888
Shipments for April.....	23,212	56,604	76,263	39,526
Shipments July 1 to May 1.....	859,196	798,269	1,928,146	990,406

The table below gives details of the stocks of pitted red cherries in canners' hands on May 1, 1940, and shipments for April:

	24/2 Cases	6/10 Cases	Misc. Cases	Total Cases
New York and Pennsylvania:				
Stocks: sold not shipped.....	5,321	5,709	785	11,815
Stocks: unsold.....	996	4,461	876	6,333
Stocks: total.....	6,317	10,170	1,661	18,148
Shipments for April.....	10,688	5,208	1,235	17,191
Mich., Wisc., and Ohio:				
Stocks: sold not shipped.....	35,759	14,240	440	50,439
Stocks: unsold.....	40,559	28,359	1,401	70,319
Stocks: total.....	76,318	42,599	1,841	120,758
Shipments for April.....	61,781	23,539	1,517	86,837
Western States:				
Stocks: sold not shipped.....	1,078	14,680	789	16,547
Stocks: unsold.....	6,829	53,439	1,857	62,125
Stocks: total.....	7,907	68,119	2,646	78,672
Shipments for April.....	3,794	10,719	1,481	15,994
Total United States:				
Stocks: sold not shipped.....	42,158	34,629	2,014	78,801
Stocks: unsold.....	48,384	86,259	4,134	138,777
Stocks: total.....	90,542	120,888	6,148	217,578
Shipments for April.....	76,263	39,526	4,233	120,022

Stocks and Shipments of Canned Corn

Total stocks of canned corn in canners' hands on May 1, 1940, amounted to 6,308,693 actual cases, as compared with 11,123,388 cases on May 1, 1939, and 8,031,676 cases on April 1, 1940, according to figures compiled by the Association's Division of Statistics.

The following table gives comparisons of shipments on certain dates:

Shipments:	Cases
During April, 1940.....	1,722,983
During April, 1939.....	1,552,867
August 1, 1939, to May 1, 1940.....	16,336,036
August 1, 1938, to May 1, 1939.....	14,532,862

In the table below are shown stocks of canned corn in canners' hands on May 1, 1940, by variety and regions:

	Eastern States		Western States	
	Cases	Cases	Cases	Cases
Cream style:				
Evergreen.....	430,970		485,008	
Narrow Grain.....	217,295		313,523	
Country Gentleman.....	77,635		974,092	
Crosby.....	73,383		39,526	
Bantam Golden.....	913,328		1,624,330	
Whole kernel:				
Bantam Golden.....	288,223		641,001	
White.....	77,622		132,757	
Total.....	2,078,456		4,230,237	

Stocks of corn on the cob on May 1 totaled 72,184 cases. Shipments during April amounted to 39,185 cases.

Stocks and Shipments of Canned Tomatoes

Total stocks of canned tomatoes in canners' hands on May 1, 1940, were more than 200,000 cases less than on May 1, 1939, according to figures compiled by the Association's Division of Statistics. Shipments during April of the two years amounted to about the same. However, total shipments this season have been over 500,000 cases greater than last season.

In the following table are shown total stocks and shipments on various dates for California and other States:

	California		Other States		Total	
	Cases	Cases	Cases	Cases	Cases	Cases
Total stocks:						
May 1, 1939.....	901,574		4,760,733		5,662,327	
May 1, 1940.....	614,397		4,788,342		5,402,739	
Shipments during April:						
1939.....	211,937		1,192,230		1,404,167	
1940.....	144,118		1,223,396		1,367,514	
Shipments, July 1 to May 1:						
1938-39.....	2,592,212		15,999,440		18,591,652	
1939-40.....	2,634,609		16,523,315		19,177,924	

Frozen Seed Corn Keeps Power to Germinate

Seed corn dried thoroughly, sealed hermetically, and stored at freezing temperature or colder has kept its power to germinate after 6 years in tests conducted by the Bureau of Plant Industry of the Department of Agriculture, in cooperation with the Ohio Experiment Station. It is pointed out that sealing of seed in air-tight tins would not be difficult or expensive, and cold storage is now available at moderate cost. In this way valuable strains of breeding material may be saved, which may be especially important to the seed trade and to the plant breeder engaged in breeding improved hybrids and varieties of sweet corn for canning.

REVIEW OF ASSOCIATION ACTIVITIES

(Continued from page 6197)

MEMBERSHIP

Since the annual convention, the Association has received 42 new applications for membership. During that time, through resignations and discontinuance of business, it has lost 12 members, making a net gain of 30 members. This substantial gain is due largely to the untiring work of President Krimendahl. He has on all occasions urged non-member canners to become active in Association work. It is a pleasure to record his service in this direction.

As of May 6, 1940, the Association had received returns from all of its members except about 26. The additional returns to be received will undoubtedly increase the case basis on which membership dues are assessed. At the present time, the seasonal product membership is 121,000,000 cases and non-seasonal 39,000,000 cases.

The estimate on which the 1940 tentative budget was based was 105,000,000 seasonal and 35,000,000 cases non-seasonal products.

At its January meeting, the Board made a slight advance in the rate of membership dues, as it was found that the reduction made in 1939 was a little too drastic. Dues paid in by members from January to May, 1940, are about \$40,000 more than payments in the corresponding period last year. The increased interest of members in the Association's work is shown by the promptness with which dues are being paid. The 20 per cent advance in the rate of dues would account for about \$23,000, whereas the actual increase in collections were 34 per cent or \$40,051.

As has been pointed out heretofore, the Association does not employ any paid representatives to solicit membership. The help it has received in this direction has been entirely voluntary. The continued cooperation of the Board members and others interested in the Association would be most helpful, because the larger the membership, naturally the lower the dues and the more representative the Association will be.

Consumer Complaint Service

There has been no let-up in the work of the Association in connection with consumer complaints; in fact, there have been reported 944 complaints for the first four months of the year, as compared with 884 for the corresponding period of 1939; an increase of 60. Of 181 complaints reported last December, four months ago, nothing further has been heard of 67 since the investigation was completed, and apparently 43 others have "faded out" since liability was denied. These figures represent 61 per cent of the total number, and are fairly representative of the Association's recent experience with these claims.

Suits now pending number 387, a decrease since January 1 of 10 suits. One hundred and ten have been disposed of since that date. Of these 110 suits disposed of since the first of the year, 46 were settled at the request of the canner involved, 19 resulted in verdicts for the defense, 31 were dismissed or discontinued, and in 14 the court or jury gave a verdict for the plaintiff. The maximum verdict in any one of these cases was \$325.

Successful defense of a suit definitely tends to discourage unjust claims, and ordinarily the publicity incidental to the defense does little, if any, harm. Apparently the reason for this is that any settlement is popularly regarded as some admission of fault, while a vigorous defense indicates confidence and pride in the quality of the product involved. As a rule, settlements that are profitable to claimants or their

attorneys, tend to increase the number of claims in those localities where the settlements are made.

The Trustees of the protective fund have been called upon and have contributed \$2,000 to the settlement of one claim so far this year.

Research Laboratories

Labeling.—Attention to labeling matters and other considerations associated with the Food, Drug, and Cosmetic Act continues to be a major function of the Laboratory, and considerable time has been given to the task of carrying to the membership, by correspondence and otherwise, interpretations of the labeling provisions of the Act. This duty has been simplified to a great extent by the appearance of new standards for canned foods.

With the assistance of counsel, the Laboratory drew up a petition in which the request was made to the Secretary of Agriculture that a hearing be held to consider modification of the standard of identity for canned tomatoes to permit the addition of small amounts of calcium chloride, or other harmless calcium salts, to prevent breakdown of tomato tissues. As a result of this petition, a hearing was held on May 2 and the entire day was given to the presentation of testimony under the guidance of counsel. The government presented no opposing testimony. This hearing was noteworthy in that it was the first to be held under the new Act to consider the modification of an existing standard.

Bacteriological Studies.—Most of the bacteriological work to date has been preliminary to field studies, which will begin shortly. Special attention this season will be directed to continuation of studies on spoilage in tomato juice and this will be done in collaboration with other laboratories connected with the canning industry. A considerable number of cultures of unknown spoilage significance were isolated from tomato juice during the field season of 1939. These were added to cultures obtained from other sources and were studied from the standpoint of their ability to grow in tomato juice. Some of the cultures were capable of growth with typical flat sour spoilage at the time of isolation, but now show considerable variation in growth capacity. The studies are still under way and have the objective of obtaining one or more strains that may be used as test organisms in experimental packs.

In 1939, field studies were conducted to determine certain spoilage relationships in canned sardines. Extensive experimental packs were prepared and these have been studied during the early part of 1940. A progress report was made at a meeting of sardine canners at Bangor on April 23 and arrangements have been made for a continuation of the study. For this purpose a field laboratory will be stationed at Eastport, Maine, and work will be under way for at least a two-month period.

Processing studies on meats have been continued with special reference to the salt content of certain products. Experimental packs will be prepared within the near future. A paper containing information on contamination of spices and referring to the laboratory work done on the sterilization of spices has been prepared for publication. This work was done a few years ago at the suggestion of the Meat Section and its publication has been requested.

The work on the determination of heat resistance by the "death rate" method has been continued and it is hoped to complete this program by the end of the year. Incidental studies have been made to determine the practicability of shipping unprocessed "survey" samples refrigerated by dry ice.

Waste Disposal.—The interest in this subject was well illustrated by the exceptional attendance at the Conference on Waste Disposal held at the last convention. During the

canning season in 1939, the full-time attention of one of the staff was given to the problem, and in December, 1939, a bulletin on waste disposal treatment was published under the collaborative authorship of representatives of the Wisconsin State Board of Health and the National Cannery Association. The work will be continued this year and thus far preliminary experimental work has considered the use of sodium nitrate to prevent the formation of objectionable odors in lagooned cannery waste. Results to date are encouraging and during the season the work will be extended to include practical experiments under actual canning conditions.

Work for Labeling Committee.—Work is under way with the Tenderometer in an attempt to develop a means for standardizing the instrument. Some promising leads have been developed, but the work is not yet complete.

A report on the grading of samples of beans by bean canners at convention time has been completed and sent to the members of the Bean Labeling Committee and others who are interested. The studies indicate that in the case of cut green beans and wax beans the percentage of seeds is a fairly reliable index of advancing maturity. There is need for a representative committee to carry on the judging of samples.

Miscellaneous Laboratory Studies.—Miscellaneous Laboratory studies have included observations on the effect of calcium in canned tomatoes and this will be followed with field studies during the coming season to determine practical methods for the addition of calcium chloride. Other studies have had reference to the chemical detection of spoilage and different methods for this purpose are being tested. The Laboratory is also giving attention to chemical and physical methods for determining vitamins.

Consumer Complaints.—The Laboratory has continued cooperation with the consumer complaint service by making organoleptic and bacteriological examinations of food samples which have been submitted in connection with complaints, and members of the staff have attended court in instances where this was advisable.

Raw Products Research Bureau

To safeguard the quality of the raw products on which success in canning depends; to build better raw products for the future through variety improvement and better production methods; to lower crop production costs and remove the production hazards of both grower and canner—these are the objectives of the Association's Raw Products Research Bureau.

The work of the Bureau since the convention has followed the usual channels of direct and indirect service to members on such crop problems. Direct service is given through the manifold and long-established contacts of the Bureau with the research work of the U. S. Department of Agriculture, through which it is often possible to obtain for members up-to-date and helpful information on production questions, especially new and unusual ones which are still subject to investigation. There are many requests for this type of service.

A somewhat different method of presenting the agricultural research results available in experiment station publications, which is also a part of the Bureau's direct service, was decided upon early in the year. Instead of waiting until the end of the calendar year to make this information available by means of a printed report distributed after convention, mimeographed statements have been planned that will present information on specific commodities as soon as it is received from the experiment station reports, bulletins, and circulars. Such a statement on pea aphid control methods for use in 1940 already has been sent to pea canner members. Another

statement, relating to asparagus production, has been distributed to canners of that product. For tomato canners a discussion of tomato defoliation diseases is in preparation.

This change in the method of preparing and distributing timely agricultural information will bring the Bureau into more frequent contact with members and their problems, and should result in a larger number of canners participating in the Bureau's service. It has not yet been decided whether these mimeographed statements will take the place of the yearly printed report. Over the five-year period the reports have been issued, demand for them has steadily widened among canners. In addition, numerous government and State experiment station workers, who are engaged in canning crops research, comment favorably upon the usefulness of the reports to them.

Field work of the Bureau in the spring months is usually devoted to visiting experiment stations and taking part in canners' schools. These schools, many of which have been organized at the suggestion of the Bureau and with its help, are increasing in number each year. They afford canners and field men exceptional opportunity to become familiar with the latest information on crop improvement, insect and plant disease control, results of variety tests and the like, and at the same time give canners a chance to bring their unsolved crop problems to the attention of the research specialists.

While a definite schedule has not been formulated for field work during the coming season, the following are among the important problems requiring attention: Study of the extensive field experiments on tomato defoliation that are being undertaken by experiment stations and canners in the Middle West; observation of the newer methods of pea aphid control; study of pea breeding, variety improvement, and seed production methods of the seed trade; behavior of the recently introduced sweet corn hybrids and their merits and demerits as shown by field tests; and numerous insect and disease control problems on which work is in progress by both Federal and State research agencies.

Emphasizing to the experiment stations the importance of these and related problems of canning crops agriculture and the promotion of additional research by these institutions on the many phases of canning crops improvement is a continuing part of the indirect service of the Bureau.

Division of Statistics

Stocks and Shipments.—Reports on stocks and shipments of the principal canned vegetables have been made to the industry on a monthly basis since the first of January. Prior to this year, reports on green and wax beans were made quarterly. At the request of bean canners for more frequent reports, the Division of Statistics began in January, 1940, to report stocks and shipments of this item on a monthly basis.

The list of products for which stocks and shipments reports are issued by the Division is as follows: corn, peas, tomatoes, green and wax beans, tomato juice, and cherries on a monthly basis; lima beans and beets on a quarterly basis; and tomato catsup as of March 1. The lima bean canners have requested more frequent service for canned lima beans. Plans for expanding lima bean reports will be worked out with lima bean canners.

Pack Statistics.—The 1939 pack statistics of canned vegetables were published in March. The 1939 pack statistics of canned fruits are being prepared now and will be issued in bulletin form within the next few weeks.

Canner-Grower Relations.—The canner-grower relations study on red pitted cherries was completed and published in January as a bulletin entitled "The Marketing of Red Cherries." About 4,000 copies of this bulletin have been distributed to canners of red pitted cherries. The next commodity to be undertaken will be green and wax beans. This study will

be completed and ready for publication within the next six months.

Crop Condition Reports.—The Division has organized and put into effect an expanded service on reporting conditions of the pea crop. These reports are issued weekly in the *INFORMATION LETTER* and are a summary of the reports made to the Division by field men and production men. Through special arrangements with the U. S. Weather Bureau, reports of temperature and rainfall in the pea-growing districts are also issued with the condition reports. Plans are now being developed for making similar reports on the condition of the corn crop.

Economic Research.—The Division has continued its program of economic research and has published from time to time reports on various subjects of timely interest. A bulletin on "Production Planning Statistics" was prepared and issued in January. This bulletin was designed to give canners the basic statistical and economic information for planning their 1940 acreage of the principal canned vegetables. The following six reports on economic research have been published in the *INFORMATION LETTER*:

1. Growers income from peas compared with competing farm crops—March 23.
2. Cost of packing peas—April 6.
3. Prospects for canned corn in 1940—April 13.
4. Prospects for green and wax beans in 1940—April 13.
5. Utilization of the tomato crop—April 27.
6. Cost of packing whole kernel and cream style corn—May 11.

Simplification of Containers.—A revised list of recommended can sizes based on the recommendations of the Committee on Simplification of Containers was prepared in February and presented to the National Bureau of Standards. The Bureau submitted this revised list to the industry on March 30. A more detailed report of the can simplification program will be presented to the Board by the Chairman of the Committee on Simplification of Containers.

Service Work.—The service work of the Division, consisting of the compilation of economic and statistical information for the members of the Association and for various committees of the Association, continues to be one of the principal functions of the Division.

Home Economics Division

For the first two or three years of the consumer movement in the United States, which became highly organized in 1935, the "reforming" element was dominant. Certain educational groups and some of the consumer pressure groups were saying that business and advertising were dishonest, and it was difficult for them to admit that anything that business did was in the interest of the consumer.

Now, in many parts of the country, there appears to be a growing willingness on the part of consumers, educators, and business representatives to talk over mutual problems and to exchange ideas. Illustrative of this trend is the statement of one woman in the educational field, who was antagonistic to consumer education activities of business in 1935. She recently told one of the members of the staff of the Home Economics Division that she "was now on the fence and could see good on both sides."

The field trips this year have included the following cities: Cleveland, Dayton, Canton, Youngstown, and Columbus, Ohio; Paducah and Louisville, Kentucky; New York City; Chicago; Minneapolis and St. Paul; Seattle; Portland, Corvallis, and Salem, Oregon; Omaha, Nebraska; Ames and Des Moines, Iowa.

On the field trips, talks were given before the Association of Pacific Fisheries, a State home economics association, a

State dietetic association, a State federation of women's clubs, to groups of consumers in commercial cooking schools, and to students in universities. In the majority of the cities, members of the Division talked at meetings of advertising clubs. Many of these clubs have committees studying consumer problems.

Radio program directors in the various cities invited members of the staff to be guest speakers on their programs. Up to the present time the Division has participated in 16 broadcasts.

As a result of these talks, several radio program directors requested leaflets in bulk so that they might send them to their listeners. The requests include: Chicago, 1500; Corvallis, Oregon, 1000; Omaha, Nebraska, 1000; Ames, Iowa, 1000; New York City, 1248.

The work of the Service Kitchen has continued along the lines of developing recipes for members, as well as recipes for use in the consumer publications. The services of the Kitchen are available to all members of the Association for the development of specific recipes for their own products. The first Kitchen booklet to be published this year is entitled "Canny Cook Presents Recipes Around the Clock." The recipe leaflets are published in a series that, through the year, will include all types of canned foods. It is not possible to feature all varieties of canned foods in each leaflet.

"Canned Food Facts for Grocers" is a new leaflet of the Home Economics Division developed especially for use in the training courses for grocery clerks carried on in all States under the George-Deen Act. This publication is also available to members for distribution.

For the past three years, at the annual conventions of each of two professional associations—the American Home Economics Association and the American Dietetic Association—the Home Economics Division has sponsored a booth at which publications of the National Canners Association of particular interest to these professional groups are displayed. The exhibits have proved valuable in permitting wider distribution of the Association's publications, and in providing members of the staff of the Division with broader and more direct contacts with individuals in these groups.

Information Division

The manuscript for a bulletin to include all available definite information on the labeling requirements of the Federal Food, Drug, and Cosmetic Act, suggested terms of the Association's Labeling Committee, examples of the "information panel" method originated by the Association, and the basic principles of the Association's labeling program, has been prepared by the Association and submitted to the Labeling Committee. (Chairman Howard A. Orr reported to the Board on this bulletin and the recommendations of the Labeling Committee are found elsewhere in the *LETTER*.) Issuance of this publication was authorized by the Board of Directors at its January meeting.

The Food and Drug Administration frequently is asked for opinions on a variety of labeling questions. These opinions concern points on labeling that have not been explicitly brought out by the regulations and standards promulgated under the Act, or the application of these regulations to the labeling of particular products. The Food and Drug Administration usually indicates that these opinions do not have the force of regulations and may not be final. Because these opinions may be helpful to other canners in solving their labeling problems, the National Canners Association each week digests pertinent letters from the files of the Food and Drug Administration and publishes these excerpts in the *INFORMATION LETTER*.

The Association is continuing to use the *INFORMATION LETTER* to keep members advised concerning developments

in the administration of laws and legislative proposals of interest to canners. Additional space is being devoted to economic research studies by the Division of Statistics, including the analyses of factors involved in canners' plans for planting acreages of major crops. The reports on condition of the pea crop, prepared by the Association's Division of Statistics, including weather and rainfall data from reporting districts over the country, are carried in the INFORMATION LETTER.

Because of the interest in the effect of the European war upon trade in canned foods, the INFORMATION LETTER's coverage has been enlarged to include analyses of the United States import and export trade, and the effect of war trade restrictions upon the domestic market. The Foodstuffs Division of the Bureau of Foreign and Domestic Commerce prepares each month a statistical summary of current information relating to the stocks and movement of certain canned foods, and these current canned food indicators are reproduced in the INFORMATION LETTER.

Since the annual convention, a number of the Association's publications that had previously been published were reprinted and distributed to groups and individuals requesting them.

The application of the Federal Motor Carriers Act to canners who own trucks and operate them solely for the distribution of their own products also was analyzed recently in the INFORMATION LETTER. It was pointed out that manufacturing establishments operating their own trucks to distribute their own products to buyers are not to be deemed contract carriers, and consequently need comply only with such regulations as may be established relating to the rules of service and safety of operations of private carriers.

Food Guarantee

Shortly after the Association's annual convention in 1939, the Association published a form of guarantee recommended to the industry for use under the Food, Drug, and Cosmetic Act. The form recommended by the Association has been approved for use in the sale and purchase of canned foods by the National-American Wholesale Grocers Association, the United States Wholesale Grocers Association, Cooperative Food Distributors of America, Super Market Institute, Inc., and the National Food Brokers Association.

This food guarantee has been widely accepted by the canning industry and the allied trades, although counsel for a number of large buyers have urged the use of different or broader types of guarantees. However, during the past few months the Association has succeeded in obtaining the acceptance of the recommended form of guarantee from certain large buyers.

The recommended form of guarantee did not deal with State food and drug laws, for at the time many State laws were in process of being amended to conform with the Federal law. Since the 1940 annual convention, counsel of the Association has advised the extension of the guarantee to include: "any State food and drug law the adulteration and misbranding provisions of which are identical with or substantially the same as those found in the Federal Act."

War Emergency Contract Clauses

Appropriate contract clauses, designed to meet some of the problems that might be created during a war emergency, were drafted by the Association's counsel last year and presented to the Administrative Council at its January, 1940, meeting. The Board directed the publication of these supplementary sales contract provisions, together with a discussion of the problems they are designed to meet, so that canners could have an opportunity to study them. Accordingly, the suggested clauses were published in the INFORMATION LETTER.

SPRING MEETING OF BOARD

(Continued from page 6195)

Report of President Krimendahl

President H. F. Krimendahl gave a report of his activities since the convention, and urged the members of the Board of Directors to work to increase membership in the Association. In his report he said, in part: "All the money spent by the National Canners Association is spent for service; for this is a service organization. The activities of the Association have been constantly intensified during the course of the years. New types of service are continually being requested by members, and the Association has bent every effort to fulfill these requests without increasing the cost to its members.

"The best way of increasing the scope of the Association's activities, without calling for increased dues at the same time, is to increase the membership. So, I would like to call upon you gentlemen of the Board to contact some of the non-member canners in your section, whether large or small, in order to get more people into the Association. I know that if these canners know about the work that the Association has done for the industry, and is doing right now, it is an easy job to sell them on the Association."

Committee on Statistics and Information

Karl Kuner Mayer, chairman of the Committee on Statistics and Information, called the attention of the Board to the intensified and broadened activities of the Division of Statistics and referred to the Board for action the question of enlarging the activities of the Division. The Board passed the following resolution approving a study of this question:

"WHEREAS, many members of the Association have urged that the Statistical Division broaden its activities and render additional service to the industry with respect to individual commodities;

"This Committee, therefore, recommends to the Board of Directors that a special committee be appointed to consider ways and means that may be developed to amplify the services rendered by the Statistical Division, more effectively to enable the individual canner to operate under present-day conditions.

"The Committee further recommends that this special committee be instructed to study this subject in its broadest aspects and report its findings to the Interim Committee within sixty days."

Committee on Simplification of Containers

The report of the Committee on Simplification of Containers was presented by Robert C. Paulus of Salem, Oregon, on behalf of W. P. Hartman of Columbus, Wisconsin, chairman. A summary of the report of the Committee follows:

"The Association's Committee on Simplification of Containers met on May 14 to consider various canners' suggestions for changes in the list of recommended can sizes sent to the industry on March 30, 1940, by the National Bureau of Standards. The Committee considered each suggestion in the light of the principles governing the Committee's action. These principles, stated briefly, are as follows: Each commodity was considered separately. The list of can sizes recommended for each commodity must, in the Committee's opinion, meet the following tests: (a) there must be sufficient difference in the cans selected to prevent confusion to the consumer when buying; (b) the cans selected must meet

the canners' requirements for packing that product. Each can was selected by the Committee on a basis of use by the industry as evidenced by the volume packed in that can and the number of canners using it.

"After each commodity list had been developed according to these principles, it was found that in many instances a particular can had been selected for a given product, but not for another product being packed by the same operators. The Committee, by recommending that a number of can sizes be added to some of the lists, has attempted to correct that inconsistency. These additions, however, are made for only those commodity lists wherein there is a sufficiently large gap in capacity between two sizes to permit the inclusion of a can size between. Furthermore, the changes recommended by the Committee consist entirely of additions to the various commodity lists of can sizes that had already been recommended for other products.

"Thus, the Committee does not recommend that any new cans be added to the summary list of 37 can sizes included in the recommendation sent by the National Bureau of Standards to the industry on March 30. The Committee, therefore, feels that the industry's program, which is to reduce the number of can sizes formerly used, has not been altered by these recommended changes, but on the contrary, the addition of the few sizes recommended will adjust the various commodity lists so that they will better meet the packers' needs and thus should secure more cooperation in attaining the objective of standardizing containers by voluntary agreement.

"The Committee wishes also to report the progress that has been attained so far toward this objective. Although the list of sizes recommended for the 1939 pack was not issued until July 1, 1939, there was definite evidence of industry cooperation in the use of the sizes recommended. Definite information is available for the major canned vegetables only (corn, peas, tomatoes, green and wax beans, lima beans, and spinach). All but about 3 per cent of the 1939 pack of these vegetables was canned in the sizes recommended, whereas about 9 per cent of the 1937 pack of these same items was packed in can sizes other than those included in the recommended list."

The report and recommendations of the Committee were approved by the Board. The new list, therefore, will be submitted for approval to the signators to the simplified practice recommendation of the Bureau of Standards, and to other canners, with the explanation that no can sizes have been eliminated in the new list, but calling attention to those that have been added and the products for which each new size is approved.

Labeling Committee

Chairman Howard A. Orr, reporting for the Labeling Committee, told the Board that the Committee has approved, with certain changes, the manuscript for a new bulletin on labeling. Chairman Orr urged that members of the Board aid the Committee in its efforts to carry on the Association's descriptive labeling program. At a second report of the Labeling Committee, Mr. Orr presented the following resolution, which was adopted by the Board:

"WHEREAS the Labeling Committee of the National Canners Association is preparing a bulletin on the labeling of canned foods for the guidance of the canning industry, in accordance with a resolution adopted by the Board of Directors at its January, 1940, meeting; and

"WHEREAS the Labeling Committee proposes to list in this bulletin (1) a complete list of all labeling terms required by the Federal Food, Drug, and Cosmetic Act, and

(2) all of the descriptive terms that are deemed to be appropriate for each product and that can be policed by objective tests; and

"WHEREAS the Labeling Committee has asked the Laboratory to select the terms that will be used to designate the size of vegetables where three, four, five, six, or seven, but not more than seven, sizes are necessary for the product; and

"WHEREAS maturity designations for vegetables, where maturity is an indication of quality, have been approved by the Labeling Committee as follows: 'very young', 'young', and 'nearly mature';

"BE IT RESOLVED, that the canning industry be urged to use the terms recommended by the Labeling Committee, and published in the labeling manual, on all labels printed after the distribution to canners of the manual."

Committee on Economic Research

Harry L. Cannon, chairman of the Committee on Economic Research, reported that Dr. Neil Carothers, who is conducting a study of financing in the canning industry as one phase of the Association's economic research program, has been making progress in his work. It is expected that, by the time of the next meeting of the Board, the Committee will be able to present Dr. Carother's findings, at least some of his conclusions, and any recommendations he may have.

Legislative Committee

The report of the Legislative Committee was presented by Chairman C. E. Lindsey. Mr. Austern was called upon to discuss parts of the testimony at the hearing on the Agricultural Marketing Agreements Act.

Address by Dr. Sienkiewicz

In his address given at the luncheon on Thursday, Dr. Sienkiewicz stated that evidence at hand indicates that there is a trend at the present time towards an expansion of industrial production and a rise in national income. He pointed out that the likely increased buying by both Allies and neutrals will have a sharp repercussion on the economy of the United States. Dr. Sienkiewicz stated that it appeared to him that industrialists of the United States are at the present moment entering into a war-time economy.

Dr. Sienkiewicz sketched international developments since the World War which, by 1929, had resulted in the establishment of trade barriers that completely disrupted world trade. He pointed out several vital changes in financing, customs that have been developed during the past 20 years, and stated that he optimistically believes in the future of gold for international trade.

In his concluding statement, Dr. Sienkiewicz said: "We cannot remain indifferent to the intensity, the duration, or consequences of the present conflict. In one way or another our interests are being vitally affected."

Report on "Recent Court and Administrative Decisions"

A comprehensive and detailed report on "Recent Court and Administrative Decisions" was made by H. Thomas Austern of the Association's counsel on Thursday afternoon. In view of the address by Mr. DeBirny, Mr. Austern did not deal with recent decisions under the Robinson-Patman Act, but his report covered a number of subjects of interest to canners. His report, in part, follows:

Developments Under the Food and Drug Act.—The complex problems involved in the development and presenta-

tion of evidence for food standards and the interpretation of food and drug regulations has required close cooperative work between the Research Laboratories and other Divisions of the Association, and the staff of the Association's counsel. This has been successfully achieved. Thus far standards of identity have been developed and promulgated on four canned fruits and forty-two canned vegetables. The evolution of these standards has been a series of legal proceedings. They have necessitated the taking of testimony, the making of formal records, the preparation of findings and exceptions, and, in some cases, the institution of court proceedings. In substance, each promulgated standard embodies one or more administrative decisions on labeling questions of importance to canners.

With respect to the canned fruit standards already promulgated, an interesting court action has been begun in which the cane and beet sugar manufacturers allege that such standards are invalid because of the failure of the Secretary of Agriculture to require the designation of dextrose on the label where that product is used as an optional ingredient in canned fruit. (This court proceeding was reported in detail in the INFORMATION LETTER of March 23, 1940, pages 6134-35.) This appeal was of considerable importance for a number of reasons: First, it represented the initial appeal under the statute. In view of the general hesitancy manifested by food manufacturers to take any food and drug question into court, it will be interesting in this case to ascertain how the courts—that is, judges, and not administrators—deal with food standards. For the most part such standards do not involve questions of public health but issues of public economy. A standard of identity relates not to the consumer's health but to her pocketbook.

Second, the appeal filed by the cane and beet sugar manufacturers is interesting both because of the status of the petitioner and the nature of the suit. The canners primarily and directly affected by the canned fruit standard are not in court. The petitioner is not a canner complaining about the reasonableness of an affirmative requirement concerning the petitioner's own product. This appeal involves the case of one manufacturer who supplies a raw material that must be declared on the label of a canned product, complaining because the raw material supplied by a different manufacturer is not required to be so disclosed on the label.

The extent to which the court review provisions of the statute will permit this type of proceeding is important. Does it mean that a pear canner might appeal a peach standard because the pear canner had been required to state an optional ingredient on the label of canned pears while the peach canner had not been required to disclose the presence of a somewhat similar ingredient? Does this constitute being adversely affected by the promulgation of the standard?

The sugar petition likewise suggests the inquiry whether a consumer might appeal from an order promulgating a food standard on the ground that the Secretary has failed to require label disclosure of particular ingredients. Lastly, the possibility of parties, other than the canners directly affected, bringing court suits to review promulgated standards, raises the questions whether a canner may safely proceed to order labels in conformance with the standard until the expiration of the ninety-day review period, and whether if court action is begun by someone else, canners would be safe in spending the necessary money and effort in order to conform with the standard until such appeal is terminated. In the present case, this question does not arise because the appeal is from a failure to require dis-

closure of dextrose and any future change will be made on sufficient advance notice.

The practice of the Food and Drug Administration in occasionally making interpretations of general interest to the industry in the form of a letter to an individual manufacturer, has necessitated a considerable expansion of the Association's activities. Each week the letters written by the Administration are checked to the fullest extent permissible, and in each weekly INFORMATION LETTER a digest of such rulings made in private correspondence is published.

On Tuesday, May 14, the Senate refused to disapprove the President's Reorganization Order No. 4 by which the administration of the Food, Drug, and Cosmetic Act is transferred from the Department of Agriculture to the Federal Security Agency. The chief of the Food and Drug Administration in the Department of Agriculture now becomes the "commissioner of food and drugs" in the Federal Security Agency. He no longer reports to Secretary Henry A. Wallace but to Administrator Paul V. McNutt. The Agricultural Marketing Service, however, as well as the Meat Inspection Act Enforcement, remains in the Department of Agriculture. This transfer undoubtedly will result in some delay in the promulgation of further standards and regulations.

Wage and Hour Law Questions.—At the time of the Association's last injunction suits were pending that sought to enjoin enforcement of the present definition of the "area of production." One of these suits had been begun in Florida and a temporary injunction was secured. Others had been instituted in Texas, California, and Pennsylvania. Since that time, the Pennsylvania court has dismissed the bill on the ground that it lacked jurisdiction because there had been no threats of prosecution and the plaintiff canners were unable to show irreparable injury. In March, the Circuit Court of Appeals for the Fifth Circuit decided that the injunction had been improperly granted in the Florida suit. (This decision was reported in detail in the INFORMATION LETTER of March 23, 1940, page 6135). Similarly, in California the District Court dismissed the bill. In none of these suits was any attempt made to defend the validity of the definition. In each of them the government interposed technical defenses that successfully sought to prevent the suit being entertained. In the meantime, the government has brought a bill in equity against a Georgia canner, who draws his supplies from a distance greater than ten miles, to enforce payment of the wage and hour provisions. In this suit the canner has interposed the defense that the present definition of the "area of production" is invalid, and is arguing that he is exempt.

On the administrative side there is now pending a proposal to reconsider the definition of "area of production," which includes only canneries located in towns of less than 2500 population and drawing all of their raw material from a distance less than ten miles. (The details of the hearing on this subject were reported in the INFORMATION LETTER of May 11, 1940, and Mr. Austern's detailed report is not here summarized.) The hearings recently held are considered interesting in indicating that some economists in the Department of Labor, on the basis of statistical material placed in the record by the government, believe that any increased labor costs in the canning industry may be passed on to consumers or taken out of the growers' returns, even though it is admitted that these assumptions are not wholly clear and that in many cases added costs would have to be absorbed by the canner. These hearings were also significant in that the principal witnesses who participated were the secretaries of the various State and regional canner associations.

Definitions of "executive and administrative employees" and "outside salesmen" are likewise in the process of

reconsideration and probably will be changed. Finally, the status of *drivers* of privately owned trucks has been clarified. The hours of such employees are to be controlled by regulations of the Interstate Commerce Commission. (A summary of these lengthy regulations will be published in the next INFORMATION LETTER.) The minimum wage provisions of the hour and wage law will, however, be applicable to such drivers, and the law will apply fully to all other trucking employees.

A number of court decisions under the Fair Labor Standards Act are likewise expected to clarify the meaning of Section 7(c) of the law, which provides a 14-week exemption from the hours provisions for the packing of seasonal or perishable fruits and vegetables. In a North Carolina case, the court has held that a watchman in a manufacturing plant is engaged in interstate commerce and, therefore, subject to the Act. This case is interesting because of its possible inverse application to various provisions of the law affording exemptions for "canning." If, for the purpose of coverage under the Act, a watchman is held to be engaged in production, it might be argued by analogy that within the term "canning" there may be included not only all warehouse and shipping employees but also, possibly, watchmen. This is not, however, the present view of the Wage and Hour Division. For in a recent suit brought against a large meat packing company, the government seeks to require the exclusion from the 14-week exemption of maintenance workers, office workers, and watchmen. The decision in this case is expected to settle a number of questions concerning the scope of such exemption.

Walsh-Healey Act.—In a somewhat related field, the decision of the United States Supreme Court in *Perkins v. Lukens Steel Company*, on April 29, 1940, may be of interest to canners. Under the Walsh-Healey Act Public Contracts Act of June 30, 1936, not only is an 8-hour day prescribed, but the contractor working on a government order is required to pay a minimum wage prescribed by the Secretary of Labor. The Secretary is directed by the statute to prescribe a minimum wage "to be the prevailing minimum wages for persons employed on similar work or in the particular or similar industries operating in the locality." The Secretary of Labor prescribed minimum wages for the steel industry on the basis of certain regional wage rates. A number of steel companies sought and secured an injunction against the enforcement of this order. On appeal, the United States Supreme Court ordered the injunction dismissed on the theory that the United States government

"Like private individuals and businesses . . . enjoys the unrestricted power to produce its own supplies, to determine those with whom it will deal, and to fix the terms and conditions upon which it will make needed purchases."

This decision makes it clear that the action of the Secretary of Labor in determining the minimum wages under the Walsh-Healey Act is not subject to review by the courts at the suit of a private individual or company desiring to bid on government business.

State Sales And Business Privilege Taxes.—In *McGoldrick, Comptroller of the City of New York v. Berwind-White Coal Mining Company*, decided by the United States Supreme Court on January 29, 1940, it was held that the New York City sales tax might be constitutionally applied to coal produced in Pennsylvania and shipped by a Pennsylvania company into New York City for sale there. To the charge that this tax, as so applied, interfered with interstate commerce, the court replied that it merely subjected the seller outside of the State to his just share of the State taxes. Chief Justice Hughes dissented on the ground that as the tax was levied on a Pennsylvania seller, it constituted an interference with interstate commerce.

In related cases decided at the same time the Supreme Court likewise held that the New York City sales tax could be constitutionally levied on oil brought in from Venezuela and sold to a foreign vessel. The Court of Appeals for the District of Columbia has also decided that the business privilege tax of the District, which is measured by gross receipts, may constitutionally be measured by sales made in the District of Columbia, even though the deliveries of merchandise never pass through the District. These decisions are interesting not only because they possibly open the door to wider State taxes on sellers outside of the State, but also because they make the seller in the distant State primarily responsible for the tax.

Florida Growers' Cost Law.—The United States Supreme Court, on January 26, 1940, held that a three-judge Federal court in Florida had acted improperly in enjoining the enforcement of the Florida growers' cost guarantee statute on the ground that it was unconstitutional. (This decision was reported in the INFORMATION LETTER on March 2, 1940, page 6113 and is not here reviewed. Attention was called by Mr. Austern to the remarks of the dissenting justices to the effect that the judicial process should not be permitted to be used to set aside a State law of this type. The decision possibly indicates that only in the clearest case may the validity of State legislation regulating growers' prices be successfully assailed by injunction.)

Enforcement of the Federal Anti-Trust Laws.—Considerable interest has been expressed in the report of the recent intensified enforcement of the Federal anti-trust laws both by the Department of Justice and by the Federal Trade Commission. The continued activity of the Commission in proceeding against trade associations and groups of manufacturers on charges of price-fixing and alleged restraints of trade is well known. (Mr. Austern here spoke in detail on certain aspects of the increased activity of the Department of Justice, apart from the general background of additional personnel and the driving force of Assistant Attorney General Thurman Arnold. He also outlined the use of indictments rather than civil equity. The bringing of group indictments against manufacturers, national and regional trade associations, management companies, trade unions, and the like was mentioned by Mr. Austern as a significant development. Various illustrative cases in other industries were cited including, among others, recent indictments against fiber container manufacturers, typewriter companies, and the entire plumbing industry. Finally, Mr. Austern spoke on current reports that the Department of Justice plans to undertake an investigation of the food industry.)

The present trend in rigorous enforcement of the Federal anti-trust laws represents a conscious movement away from what might be called "N.R.A. thinking". No longer are groups of businessmen encouraged or permitted lawfully to get together, either formally or informally, to attempt to cure the competitive ills of their own industry. The objective of the present enforcement campaign is to require free, untrammelled, and possibly ruthless, competition. One of the suggested theories is that if such competition results in serious competitive maladjustment and in the driving out of business of marginal operators, the only remedy will lie in the direction of fairly detailed government regulation with accompanying close administrative scrutiny of what is done. On this theory, the choice will lie between completely independent management of individual businesses—without any cooperative activity to affect the market in any way—and government regulation of the market.

Throughout all of this enforcement activity, and indeed in many specific cases, there has been an explicit recognition of the lawful activities of regularly organized trade associa-

tions in such fields as research, collection and dissemination of statistics relating to past transactions, informational service, etc.

The recent *Madison Oil* case can be cited as a pointed example of the present court and departmental interpretation of the Sherman Act in its prohibition of cooperative activity aimed at affecting market prices either directly or indirectly. In this case, the conviction of a number of oil refining companies and individuals was sustained by the Supreme Court. (*United States v. Socony-Vacuum Oil Co.*, decided May 6, 1940.)

Apart from a number of technical procedural objections raised on appeal, the basic defense in this criminal proceeding was that what the oil companies had done, did not amount to an unreasonable restraint of trade. The efforts of the defendants, it was claimed, had been directed toward curing competitive maladjustment, had not directly operated on market prices, and, to the slight extent that prices might have been affected, such prices were not raised to unreasonable levels. In short, the defendants argued that they had endeavored merely to put a floor under the market for surplus gasoline. Nevertheless, the convictions were affirmed.

The Supreme Court stated that the objective sought to be accomplished was immaterial and that Congress has

"no more allowed genuine or fancied competitive abuses as a legal justification for such schemes than it has the good intentions of the members of the combination."

The court declined likewise to accept the argument that prices were affected only indirectly or incidentally or that fairer competition resulted from the activities of the defendants.

"The elimination of so-called competitive evils is no legal justification for such buying programs. The elimination of such conditions was sought primarily for its effect on the price structures. Fairer competitive prices, it is claimed, resulted when distress gasoline was removed from the market. But such defense is typical of the protestations usually made in price-fixing cases. Ruinous competition, financial disaster, evils of price cutting and the like appear throughout our history as ostensible justifications for price-fixing. If the so-called competitive abuses were to be appraised here, the reasonableness of prices would necessarily become an issue in every price-fixing case. In that event the Sherman Act would soon be emasculated; its philosophy would be supplanted by one which is wholly alien to a system of free competition; it would not be the charter of freedom which its framers intended.

"The reasonableness of prices has no constancy due to the dynamic quality of the business facts underlying price structures. Those who fixed reasonable prices today would perpetuate unreasonable prices tomorrow, since those prices would not be subject to continuous administrative supervision and readjustment in light of changed conditions. Those who controlled the prices would control or effectively dominate the market. And these who were in that strategic position would have it in their power to destroy or drastically impair the competitive system. But the thrust of the rule is deeper and reaches more than monopoly power. Any combination which tampers with price structures is engaged in an unlawful activity. *Even though the members of the price-fixing group were in no position to control the market, to the extent that they raised, lowered, or stabilized prices they would be directly interfering with the free play of market forces.* The Act places all such schemes beyond the pale and protects that vital part of our economy against any degree of interference."

Lastly, the Court stated that it was immaterial whether the effect of the concerted activity was only a reasonable price,

and indicated that even if the result had been lower prices the conviction would still stand.

"An agreement to pay or charge rigid, uniform prices would be an illegal agreement under the Sherman Act. But so would agreements to raise or lower prices whatever machinery for price-fixing was used. That price-fixing includes more than the mere establishment of uniform prices is clearly evident from the *Trenton Potteries* case itself, where this Court noted with approval *Swift & Co. v. United States*, 196 U.S. 375, in which a decree was affirmed which restrained a combination from 'raising or lowering prices or fixing uniform prices' at which meats will be sold. Hence, prices are fixed within the meaning of the *Trenton Potteries* case if the range within which purchases or sales will be made is agreed upon, if the prices paid or charged are to be at a certain level or on ascending or descending scales, if they are to be uniform, or if by various formulae they are related to the market prices. They are fixed because they are agreed upon. And the fact that, as here, they are fixed at the fair going market price is immaterial. For purchases at or under the market are one species of price-fixing. In this case, the result was to place a floor under the market—a floor which served the function of increasing the stability and firmness of market prices. That was repeatedly characterized in this case as stabilization. But in terms of market operations stabilization is but one form of manipulation. And market manipulation in its various manifestations is implicitly an artificial stimulus applied to, or at times a brake on, market prices, *a force which distorts those prices, a factor which prevents the determination of those prices by free competition alone.*"

Conclusion.—Many of the current developments in the administration of a number of Federal statutes would to some extent be controlled by the possible occasion of a national emergency. The pace of such developments might be so rapid that it would be hazardous for anyone to venture to guess as to what might be the situation within a few months. In such circumstances, formulation of business plans on the basis of an assumed state of facts would be possibly rash speculation.

Informal Discussions of Robinson-Patman Act

Mr. Armond DeBirny, an attorney in the office of the chief counsel of Federal Trade Commission, who has been particularly concerned with enforcement of the Robinson-Patman Act, made an informal off-the-record talk concerning enforcement activities under that statute. Mr. DeBirny made it clear that he was not speaking officially for the Federal Trade Commission, and requested that the members of the Board consider his address and his answers to questions as merely an informal discussion of the problems in which the industry was interested. Mr. DeBirny further stated that the attorneys and other enforcement officials of the Trade Commission would always be willing to discuss with any member of the industry the application of the statute to his particular operations.

Among the subjects in which canners expressed interest at the informal discussion were the granting of allowances or discounts "in lieu of brokerage", the justification of quantity discounts, the use of contract terminology that does not in fact reflect the particular transaction, the justification of price differentials between private label and canner label merchandise, the meeting of competition, the application of the statute to subsidiary corporations and corporations owned by the same interests, and sales from one canner to another canner.

SWEET CORN FOR PROCESSING

Growers' Reports of Condition and Planting Are Summarized by Marketing Service

Reports on the condition and progress of planting of sweet corn for processing, received from growers throughout the country, have been summarized by the Agricultural Marketing Service for the various regions as follows:

The New England States.—Growers of sweet corn for processing in the New England States do not expect to plant this season's crop before June.

New York and Pennsylvania.—Cool temperatures prevailed through the first two weeks of May. Farmers are preparing their land for sweet corn but planting is not expected to start until around May 30.

Ohio and Indiana.—Soil moisture is adequate and growers were making some headway in planting sweet corn. The first fields were planted about May 10, or nearly two weeks later than usual.

Illinois, Iowa and Minnesota.—Most growers in these States had started to plant before May 15. This date is about 10 days later than usual. Soil moisture is reported adequate and higher temperatures are needed to improve conditions for germinating the seed.

Michigan and Wisconsin.—The weather continues too cool for sweet corn and growers are not planning on planting much seed before the end of May. Prospects on May 15 are that this season will be even later than the 1939 season which also was late.

Delaware, Maryland and Tennessee.—The season in these States was delayed by cool weather late in April. Growers were just starting to plant around May 15.

Oregon and Washington.—Planting sweet corn in the Northwestern States was completed near the usual date and the crop was reported to be growing under favorable conditions.

GREEN PEAS FOR PROCESSING

Agricultural Marketing Service Compiles Reports on Preliminary Acreage Estimates

The preliminary estimate of the 1940 acreage planted in the United States to green peas for processing, including freezing, is 323,980 acres, according to the Agricultural Marketing Service. This acreage exceeds the 260,070 acres estimated for 1939 by about 25 per cent and the average annual plantings for the preceding 9-year (1930-38) period of 291,260 acres by about 11 per cent.

Approximately 50 per cent of the acreage estimated for 1940 is located in the Middlewestern States of Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, and Iowa. The preliminary estimate of acreage planted in this group of States for 1940 shows a 32 per cent increase over the 1939 plantings. In the Western States of Colorado, Utah, Washington, Oregon, and California, where about 23 per cent of the 1940 plantings are located, the increase in acreage for this year is 29 per cent over the estimated 1939 plantings. The increase shown in Maine, New York, and Pennsylvania is about 13 per cent and in the group that includes Delaware, Maryland and Virginia, an increase of 7 per cent is shown for 1940 above the 1939 plantings.

The following table summarizes data on the preliminary estimate of 1940 plantings of green peas for canning and

plantings for freezing. Comparisons with as many of the earlier years as data are available are also shown.

	1937	1938	1939	1940 Pre- liminary
	Acres	Acres	Acres	Acres
Planted for freezing.....	No data	25,360	29,120	38,050
Planted for canning or other processing.....	available	300,560	230,950	285,930
Total.....	354,420	334,920	260,070	323,980

Of the 38,050 acres planted to green peas for freezing in 1940, preliminary estimates show about 57 per cent of this acreage will be located in the widely scattered States east of the Mississippi River, including Maine, New York, New Jersey, Pennsylvania, Michigan, Indiana, Virginia, and Wisconsin. These States had around 59 per cent of the 29,120 acres planted for freezing in 1939. The remaining plantings for freezing in each of these two years was located in Washington, Oregon, California, Minnesota, Utah, and Texas.

Of the total 1940 plantings of 323,980 acres of green peas for canning and freezing, the Service estimates 200,540 acres, or about 62 per cent, will consist of green peas of the "sweet" varieties, and 123,440 acres, or 38 per cent, of peas of the Alaska, or smooth, round type. The revised estimate for 1939 shows 159,530 acres, or about 61 per cent, were planted to "sweet" varieties and 100,540 acres, or 39 per cent, were planted to the early, Alaska varieties.

The table below, showing planted acreage by types for 1938 and 1939, and estimated planted acreage for 1940, was compiled by the Agricultural Marketing Service:

State	1938		1939 (Revised)		Indicated 1940	
	Alaska Type Acres	Sweet Type Acres	Alaska Type Acres	Sweet Type Acres	Alaska Type Acres	Sweet Type Acres
Maine.....		3,820		4,770		5,070
New York.....	5,100	31,910	3,380	30,470	3,800	35,010
Pennsylvania....	3,520	2,880	4,000	2,010	2,920	3,580
Ohio.....	3,680	1,220	3,280	1,220	3,850	1,500
Indiana.....	6,610	900	5,450	1,450	7,100	1,910
Illinois.....	7,090	10,210	5,260	9,340	6,270	9,630
Michigan.....	5,460	7,240	2,560	3,840	4,180	5,120
Wisconsin.....	61,190	44,310	42,780	26,220	57,960	38,640
Minnesota.....	6,900	15,350	5,570	14,330	7,500	16,700
Iowa.....	1,540	1,360	1,120	380	1,550	950
Delaware.....	3,170	430	2,220	280	2,500	140
Maryland.....	17,010	1,800	14,400	1,600	16,090	1,210
Virginia.....	3,680	320	2,980	520	2,760	740
Colorado.....	1,930	1,930	1,430	1,820	900	3,200
Utah.....	430	13,820	210	10,060	250	12,250
Washington....	1,770	27,730	880	21,120	1,230	29,570
Oregon.....	800	21,340		19,900		25,200
California.....		4,800		3,200		3,000
Other States....	5,210	8,100	4,930	6,970	4,310	7,600
Total.....	135,270	199,650	100,540	159,530	123,440	200,540

Seed Treatment with Plant Hormones Discounted

Seed specialists at the New York State Experiment Station at Geneva, who have been trying out vitamin B₁ and certain plant "hormones" on various agricultural seeds, report that the differences between hormone-treated and untreated seeds are insignificant so far as any increase in germination of the seed or increased vigor in the seedlings are concerned. They did observe, however, a marked increase in the amount of moldy seed where these materials were concerned.

GREEN-WAX BEANS FOR PROCESSING

Reports on Progress of Planting and Condition Compiled by Agricultural Bureau

Reports on the progress of planting and condition of green and wax beans for processing, received from growers throughout the country, have been compiled by the Agricultural Marketing Service. These reports are summarized by the Service for various groups of States as follows:

Maine, New York, and Pennsylvania.—The planting season for green and wax beans in Maine and the New England States is about two or three weeks late, according to the Service. Only a few fields, favorably situated for good drainage in New York State, were planted by May 15. Under favorable conditions, planting in Maine and New York State will probably get under way about June 1.

In Pennsylvania, farm work was generally a little farther advanced by May 15 than it was in New York State and the New England States. Planting green and wax beans was in progress in this State by mid-May although temperatures were rather cool.

Indiana, Michigan and Wisconsin.—Land is slowly being prepared for green and wax beans, but planting is not expected to get in full swing before early in June. Sub-soil moisture in some areas is limited but precipitation during May has provided ample supplies of surface moisture.

Delaware, Maryland and South Carolina.—Some plantings were made early in May. It is reported that soil moisture is generally adequate and warm weather is now needed. In South Carolina, harvesting the crop is expected to be completed by early June.

Tennessee, Mississippi, Arkansas and Louisiana.—In Louisiana and Mississippi, picking green and wax beans is not expected to begin prior to June 1. It is reported that stands are generally fair. In Tennessee, the crop is backward. Planting operations in Arkansas were about completed by May 15. In most fields good stands were developing but a few growers complained of their seed germinating irregularly.

Colorado, Utah, Oregon, Washington and California.—In Utah planting was in progress by May 15 under favorable conditions. Colorado growers expected to start about May 20. Growers of snap beans in the Northwest had completed planting by the middle of May and reported soil conditions were favorable for rapid germination.

"Canned Food Facts for Grocers" Published

"Canned Food Facts for Grocers," a new leaflet prepared by the Home Economics Division was mailed to members last week. This leaflet is designed for use in training classes for grocery clerks that have been established by the Office of Education in connection with State departments of education. Additional copies are available.

Record Japanese Exports of Canned Foods in 1939

Official statistics show that Japan's export trade in canned foods reached record proportions during the calendar year 1939, according to the American commercial attache at Tokyo. Shipments abroad under this classification increased 20 per cent in volume and 42 per cent in value as compared with 1938. Exports to the United States (including Hawaii) increased 157 per cent in volume, while shipments to the yen-bloc area gained 48 per cent.

Veterans Bureau to Buy Canned Foods

The Procurement Division of the Veterans Administration is asking for bids, to be opened on May 27, on 1,800 cases of lima beans, No. 10 cans; 300 cases of carrots; and 300 cases of pumpkin. Deliveries of the lima beans are to be made f.o.b. Perryville, Md., San Francisco, and Chicago. The carrots and pumpkin are for delivery f.o.b. Perryville, Md.

Bids, to be opened on June 5, are also asked on 6,300 cases, No. 10 cans, of crushed pineapple; 11,300 cases, No. 10 cans, of sliced pineapple; and 4,300 cases, No. 10 cans, of pineapple juice. Deliveries of the crushed and sliced pineapple are to be made f.o.b. Perryville, Md., San Francisco, and Chicago; the pineapple juice, f.o.b. Perryville and San Francisco.

Reductions in Yields Due to Plant Diseases

Tabulations of the percentage of reduction in yields caused by diseases of a number of crops grown in 1938 have just been made public by the Bureau of Plant Industry of the U. S. Department of Agriculture, in a recent issue of *The Plant Disease Reporter*. These tabulations indicate that sweet corn yield was reduced 7.6 per cent, with the greatest tonnage loss occurring in Iowa, Minnesota, and Maryland; that the yield of peas grown for manufacture was reduced 9.7 per cent with the greatest losses occurring in New York and Wisconsin; and that the tomato crop suffered a loss of 15.9 per cent due to diseases, with the States comprising the north central and north Atlantic regions reporting the greatest damage.

Sardine Canning Industry Planned for Egypt

Plans are reported under way for the establishment of a domestic sardine canning industry in Egypt and a local company is now being formed for this purpose, according to the commercial attache at Cairo. The necessary machinery and equipment for the canning plant will be purchased in Portugal. At first it is expected that the proposed plant will be capable of canning about 500 tons of sardines annually, this quantity to be increased gradually.

"Starter" Solutions for Tomatoes

Experiments conducted in 1939 with starter solutions for tomato plants at the New York Agricultural Experiment Station at Geneva, showed that the biggest increase in total yields of tomatoes was obtained with a more concentrated solution and a very small amount of solution per plant. Growers, who do not have an easily obtainable supply of water convenient to the fields in which they expect to plant tomatoes, will be gratified to know of these results.

It is pointed out, however, that any "starter" solution is not a substitute for field fertilization but should be used as a supplement to the regular field fertilization to get the plants established quickly. Reports of many farmers who tried the "starter" solution agreed with the experimental results reported and supported the following conclusions: (1) The plants become established quicker and resume growth earlier; (2) this results in earlier maturity; (3) fewer plants have to be replaced; (4) gains are particularly marked where southern-grown plants or very crowded locally grown plants are used.

Yellows Resistant Cabbage Varieties for New York

Trials of standard cabbage yellows resistant varieties in New York State during 1939 showed that while strains in the early and mid-season group are well suited for planting in the New York cabbage areas, the resistant varieties developed in the late Danish group are not what the New York grower wants. Because of these facts, the experiment station at Geneva has well under way the development of a new early kraut type and a new Danish type that conforms more to the non-resistant strains now grown in the State.

A resistant selection of an earlier kraut and market type designated as Geneva Resistant Seneca is now in its third generation and shows excellent promise of developing into a high-yielding strain, well adapted either for the early market trucking trade, or for kraut, according to a statement appearing in *Farm Research* for April 1, 1940, published by the experiment station. It is further stated that this selection should be in commercial production on a limited scale within the next two years.

Stocks and Shipments of Canned Peas

Total stocks of canned peas in canners' hands on May 1, 1940, were nearly a third less than on May 1, 1939, according to figures compiled by the Association's Division of Statistics. Shipments during the present season were about the same as last season—20,125,677 cases for 1939-40, and 20,764,326 cases for 1938-39.

The following table shows stocks and shipments of the two varieties of canned peas on various dates:

	Alaskas	Sweets	Total
Stocks:			
May 1, 1939.....	3,067,776	8,252,062	9,319,838
May 1, 1940.....	784,815	2,842,104	3,626,919
Shipments during:			
April, 1939.....	539,793	574,181	1,113,974
April, 1940.....	337,788	1,296,747	1,634,535
June 1, 1938 to May 1, 1939.....	9,267,258	11,497,068	20,764,326
June 1, 1939 to May 1, 1940.....	7,234,084	12,891,593	20,125,677

Stocks and Shipments of Green and Wax Beans

Total stocks of green and wax on May 1, 1940, amounted to 1,693,716 actual cases, according to figures compiled by the Association's Division of Statistics. Shipments during April totalled 658,731 cases, and shipments during the period July 1, 1939, to May 1, 1940, totalled 8,376,618 cases. Figures for the comparable periods of last year are not available.

The following table shows stocks and shipments by regions of green and of wax beans:

	Stocks May 1, 1940	Shipments April 1, 1940	Shipments July 1 to May 1, 1939-40
GREEN BEANS:			
Northeast.....	196,530	111,723	836,076
Middle Atlantic.....	256,132	120,532	2,149,631
Mid-West.....	337,018	137,656	1,493,368
Western.....	365,125	141,071	1,623,899
Southern.....	83,859	37,076	1,105,830
Total green.....	1,268,664	549,258	7,208,804
WAX BEANS:			
Northeast.....	112,444	33,111	420,207
Middle Atlantic.....	42,944	17,541	181,595
Mid-West.....	242,898	42,865	443,598
Western.....	26,766	15,494	99,857
Southern.....		462	22,557
Total wax.....	425,052	100,473	1,167,814

Stocks and Shipments of Canned Tomato Juice

Total stocks of canned tomato juice in canners' hands on May 1, 1940, were more than 1,000,000 cases less than on May 1, 1939, according to figures compiled by the Association's Division of Statistics. Shipments during the present season amounted to about 1,500,000 cases more than during last season.

The following table compares stocks and shipments of tomato juice on various dates:

	Cases
Stocks:	
May 1, 1939.....	4,523,499
May 1, 1940.....	3,442,103
Shipments:	
During April, 1939.....	753,754
During April, 1940.....	864,409
August 1 to May 1—	
1938-39.....	7,515,097
1939-40.....	10,032,455

The following table shows stocks of canned tomato juice in canners' hands on May 1, 1940, by can sizes:

Can Name	Cans per case	May 1 stocks Cases
8Z Tall (including 8Z Short).....	48	27,931
No. 1 Pemie.....	48	65,275
No. 211 Cylinder.....	48	192,907
No. 300 (including all 300 cans from 407 to 412).....	48	231,458
No. 1 Tall.....	48	261,371
No. 303 Cylinder.....	24	393,629
No. 2.....	24	194,453
No. 2 Cylinder (including all 307 cans from 505 to 513).....	24	503,992
No. 3 Cylinder (including 404 cans from 615 to 708).....	12	553,245
No. 10 (including some No. 5).....	6	678,609
Miscellaneous tin.....		70,549
Glass.....		268,690
Total.....		3,442,109

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